

Rep. Doris Matsui Encourages Sacramentans to Take Advantage of Tax Credit Assistance Programs Avail

Rep. Doris Matsui Encourages Sacramentans to Take Advantage of Tax Credit Assistance Programs Available for Qualifying Citizens

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WASHINGTON, D.C. – Today, Rep. Doris Matsui (CA-05) encouraged Sacramento residents that qualify for the Earned Income Tax Credit (EITC) to claim it. The EITC is a tax credit for working people with lower incomes. Qualifying individuals and families could receive a tax credit of up to \$4,700. An estimated 25 percent of those that qualify for the EITC do not take advantage of this credit, and of those that do file, up to two-thirds are not taking advantage of free filing assistance.

"Hardworking families in Sacramento and across the country are feeling the financial strain of our flagging economy. I encourage all of my constituents to investigate their eligibility for the EITC, and take advantage of the free assistance programs," said Rep. Matsui.

Rep. Matsui encourages taxpayers making less than \$38,000 per year to take advantage of the EITC and the Volunteer Income Tax Assistance (VITA) Program. Residents may be eligible for tax filing assistance from the Volunteer Income Tax Assistance (VITA) program if their household income is less than \$38,000. This is a free, government-certified service to help with filing taxes and can boost refunds by as much as \$4,400.

Since 1975, the Earned Income Tax Credit (EITC) has been a tool to aid working families and individuals, yet many taxpayers fail to reap the benefits of this tax credit on their return simply because they are not aware of the program or assume that they are ineligible. That means that many families may be missing out on thousands of dollars.

Citizens can visit www.irs.gov and utilize the EITC Assistant tool to determine their eligibility. They will be asked questions regarding their living situations, income, and family. Once these questions have been answered, an individual's eligibility and estimated EITC will be generated immediately.

Free tax advice is available via these steps:

Call InfoLine Sacramento at (916) 498-1000 and ask for the free tax assistance locations nearest you, or search for a location online at www.ftb.ca.gov/individuals/vita/sites.asp

Bring all of your W-2s and end-of-year tax forms to your appointment

Bring your bank account information to your appointment and get your refund directly deposited into your bank account in as little as 7 days (it is not necessary to have a bank account to use this service.)

"As tax season nears, it is crucial that Sacramentan families claim the tax credits they are rightfully entitled to, helping them to weather this economic storm," said Rep. Matsui. "I am committed to working in Congress to help provide relief to families and individuals who are adversely affected by the declining economy. Yesterday, we passed legislation in the House of Representatives that will put much-needed money back in the hands of hardworking Americans."

The EITC is based on the amount of your earned income and whether or not there are qualifying children in your household. If you have children, they must meet the relationship, age and residency requirements. Additionally, you must file a tax return to claim the credit.

If a citizen was employed for at least part of 2007, he or she may be eligible for the EITC based on these general requirements:

The individual earned less than \$12,590 (\$14,590 if married filing jointly) and did not have any qualifying children

The individual earned less than \$33,241 (\$35,241 if married filing jointly) and have one qualifying child

The individual earned less than \$37,783 (\$39,783 if married filing jointly) and have more than one qualifying child

In addition, the following basic rules apply:

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- The taxpayer must have a valid Social Security Number
- The taxpayer must have earned income from employment or from self-employment.
- Filing status cannot be married, filing separately.
- Must be a U.S. citizen or resident alien all year, or a nonresident alien married to a U.S. citizen or resident alien and filing a joint return.
- Cannot be a qualifying child of another person.
- Without a qualifying child, the taxpayer must:
 - be age 25 but under 65 at the end of the year,
 - live in the United States for more than half the year, and
 - not be a qualifying child of another person
- Cannot file Form 2555 or 2555-EZ (related to foreign earn income)

Members of the military can elect to include their nontaxable combat pay in earned income for the earned income credit.

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